

*From History, Economic History and the Future of Marxism, Essays in Memory of Tom Kemp.*

## Hegel, Economics, and Marx's Capital

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IMAGINE AN earnest PhD student attempting to teach a computer to appreciate jokes — a project whose chance of success I would not rate very high. Yet this poor machine is a bit like an economist trying to understand Marx's *Capital*. A computer is very good at turning one string of symbols into another, but only if they are chosen from a prearranged set. Anything else, it will pronounce meaningless. Economists are trained to initiate and respond to statements about the exchange of private property. Their 'universe of discourse' assumes a world in which everybody is driven by self-interest to produce and exchange wealth for private profit. In their professional capacity, at least, they are incapable of seeing anything wrong with this arrangement, and reject as nonsense any notion which cannot be interpreted within its frame of reference.

There is a widespread notion that Karl Marx can be understood as though he too were an economist. Libraries are full of publications which present Marx's *Capital* as an attempt to continue and perfect the classical political economy of Adam Smith and David Ricardo. According to this account, Marx held to a 'labour theory of value', which, like Ricardo's theory, was a way to 'explain' prices in terms of quantities of labour-time. The difference was that Marx's 'theory' showed that the workers were exploited, and that there were 'contradictions' in the system. In 1887, Karl Kautsky, a loyal follower of Marx, wrote a little book like this called *The Economic Doctrines of Karl Marx*. When I began to study such matters in the 1940s, an English translation of this was still very popular, and helped to colour the way that many of us read *Capital*. Books such as Maurice Dobb's *Political Economy and Capitalism* and *Studies in the Labour Theory of Value* by Ronald Meek perpetuated this approach. A volume like the collection *Karl Marx, (1818-1883)*, shows that it is still with us.

I believe that anyone who clings to these ideas, whether critic of Marx or would-be supporter, is forever precluded from understanding anything significant about *Capital*. The Karl Marx who wrote *Capital* was a communist. He struggled to uncover the possibility of a way of living which he called 'truly human', a 'free association' of producers who could consciously create a community 'worthy of their human nature'. He took the work of the Utopians very seriously, appreciating their efforts to envision a new world. But, unlike them, he did not seek its construction according to a plan of his devising. Rather, he sought to reveal the development of humanity within and in opposition to the inhuman way of living which he saw around him, to show how this inhumanity reproduced and hid itself, and to find the way its power would be broken. So his aim was not to 'explain capitalism' (a word he never used) but to comprehend how humanity could free itself from the grip of that deadly, exploitative, atomising social power he called 'capital'. This aim permeates every sentence of *Capital*.

The attempt to transform *Capital* into an economics book, pioneered by Kautsky, became a commonplace in the Second International. It was later incorporated into the canon of Stalinist dogma. But it did not go unchallenged. Just as there were people who refused to accept the appearance that the Stalinist political system was an 'accomplished historical fact', so there were those who criticised the tendency to cleanse Marx's ideas of their revolutionary content, and who refused to bow before academic reputations in doing so. However, I do not think they went far enough.

### **'Applying dialectics'**

IN THE PERIOD before 1914, Lenin largely accepted Kautsky's account. But he began to see its shortcomings when he made his study of *Hegel's Science of Logic* in 1914-15. As he expressed it in a startling aphorism:

*It is impossible completely to understand Marx's Capital and especially its first chapter, without having thoroughly studied and understood the whole of Hegel's Logic. Consequently, half a century later none of the Marxists understood Marx. [Notebooks]*

However, struck by Marx's clear references to Hegel, Lenin concluded that 'Marx applied Hegel's dialectics in its rational form to political economy'. [Notebooks]

I believe this conclusion was mistaken. Right at the start of the *Science of Logic* Lenin saw that Hegel's categories were not empty forms, but full of content:

*What Hegel demands is a Logic, the forms of which would, be gehaltvolle Formen [forms with content], forms of living, real content, inseparably connected with the content. [Notebooks]*

But in that case, how could Marx have ‘applied’ Hegel’s method to his own, very different content? In a further reference to *Capital* Lenin makes a very important comment in his *Notebooks*:

*In Capital Marx applied to a single science logic, dialectics and the theory of knowledge of materialism (three words are not needed: it is one and the same thing) which has taken everything valuable in Hegel and developed it further. [Notebooks]*

This profound remark raises many puzzling questions. If ‘dialectics’, logic, = ‘theory of knowledge’, how can you have a method to ‘apply’? If this equation holds, what is a ‘theory of knowledge’? Is it a part of knowledge? And is ‘everything valuable in Hegel’ to be found in his Logic? Lenin was trying to understand the theoretical weaknesses which lay behind the Second International’s 1914 betrayal of the international working class. In its overwhelming majority, and to Lenin’s astonishment and dismay, it had abandoned its commitment to mobilise against the war. In his 1914-15 *Notebooks*, Lenin had begun to question the philosophical education he had received from Plekhanov. [Apart from his careful reading of *Science of Logic*, Lenin’s study of Hegel included part of *Encyclopaedia Logic*, some of *History of Philosophy* and a section of *Philosophy of History*. He also read Aristotle’s *Metaphysics*. The early writings of Marx were unknown during his lifetime, although he had read *The Holy Family* 20 years earlier. Krupskaya thought that he read Hegel’s *Phenomenology of Spirit* when they were in Siberia, but I think she is mistaken.] Although these doubts were certainly reflected in his subsequent writings, notably in *The State and Revolution*, he never got the chance to develop them systematically, and I know of no evidence that he ever discussed them with anybody else.

When, in 1923, György Lukàcs and Karl Korsch, independently of each other, tried to raise the issue of the relation between Marx and Hegel, they knew nothing of Lenin’s study. [Lenin’s *Conspectus of Hegel’s Science of Logic* remained unpublished until much later.] In 1925, a storm of protest from the leaders of the Third International, especially Zinoviev and Bukharin, broke over their heads. As the bureaucratisation of the Third International gathered pace, any possibility of re-examining the philosophical standpoints of Kautsky and Plekhanov had to be suppressed. Trotsky was unable to undertake such work, and his later appeals for his followers to do so went unheeded.

The long crisis of the Stalinist movement, which began in the 1950s, made possible a renewal of interest in Marx's work and its relationship with Hegel's. By that time, many of Marx's writings which were unknown in Lenin's time had become available, notably the 1844 Manuscripts and the *Grundrisse*. Lenin's Philosophical Notebooks also helped to fuel the study of the relevance of Hegel for *Capital* and much of this discussion centred on the question of method. Following Lenin's lead, many people — myself included! accepted that Marx had 'applied' Hegel's dialectic to political economy. We did not ask ourselves, however, why, if Marx and Hegel applied the same method, it led them to such different conclusions? And what makes it such a good method, anyway?

I think that, to tackle these issues, it is necessary to look at the whole of Hegel's work, and not just at his *Logic*. In particular, Hegel's own views on political economy must not be ignored. To begin to investigate these problems — and it can only be a beginning — I want to focus on some recent work by one particular author, who has a well-established reputation in this area. In *The Logic of Marx's Capital*, Tony Smith sets out an account of the structure of Marx's work, emphasising its resemblance to the shape of Hegel's *Logic*. In *Dialectical Social Theory and its Critics*, Smith mounts a defence of this position against various opponents, which he continues in *Marx's Capital and Hegelian Dialectical Logic*. In particular, he takes up the arguments of some would-be Hegelians, who uphold Hegel's views on political economy against those of Marx, notably Richard Winfield. This makes Smith's work useful for clarifying the relation between Hegel and Marx.

For Smith, 'dialectical social theory' is about the 'systematic progression of socioeconomic categories', and he thinks that Marx was engaged in this activity. '*Capital* is a systematic theory of economic categories ordered according to a dialectical logic taken over from Hegel.' The implication is that Hegel had discovered an excellent 'method' — how he did so is not explained — but failed to use it correctly. Luckily, along came Marx to show how it should be applied to political economy.

My hostility to the thinking which lies behind Smith's arguments arises from the conviction that it not only falsifies both Marx's work and Hegel's, but trivialises the relation between them. It treats Hegel as the inventor of a special kind of logical device, which he employed to spin academic tales about the world and provide topics for scholarly argument. Frankly, if he were no more than this, and if that was all that Marx saw in his great teacher, I would not consider either of them worth the trouble it takes to study them. But that is not the essence of the work of either of these two thinkers. Each of them was engaged in a struggle of universal social and human importance: to grasp the meaning of the powerful upheavals which had transformed European and world society during the previous few centuries. Their

conclusions diverged profoundly, of course, but what they had in common was the attempt to understand the way humans lived in the modern world, and how they might live.

So I assert that neither Hegel nor Marx had a method which can be separated from the question: how do people live? This was the problem which drove the theology student Hegel to turn unwillingly to philosophical work, and which diverted Marx so far from his aim of becoming a professor in the history of Greek philosophy that he ended up as an exiled revolutionary communist.

## **Hegel and fragmentation**

HEGEL's CENTRAL concern in all his work was the fragmentation of modern life, both of the social whole and of each individual part. He situated the origin of this discord, this disintegration of community, at the heart of the philosophical tradition. The need for philosophy, he thought, began with the break-up of the harmony of the *polis*, the ancient Greek city-state. His philosophy was an attempt to deal with the antagonistic relations between the individual and the universal, the finite and the infinite, the relative and the absolute, the private and the social — all different aspects of the same opposition. (Maybe all philosophy could be seen in this way.) Hegel believed that humanity must find out how to reconcile in thought — the opposing forces which tear it apart, and that philosophy, or science (*Wissenschaft*), is this knowledge (*Wissen*).

If science were to unify humanity, he thought, it itself had to be united into a system. The movement which linked science into a unified enterprise, Hegel called 'dialectic'. The incommensurability of different departments of knowledge reflected the fragmentation of social life. Through the development of systematic, scientific knowledge, comprising knowledge of the process of knowing, the human spirit was achieving freedom, identified by Hegel with Absolute Knowledge. In thought, and only in thought, the oppositions of social life can be reconciled and comprehended, he believed. But these oppositions are never forgotten. Each contradiction has to be simultaneously transcended and preserved as an element of this total system.

Hegel's *Science of Logic* is an attack on what has usually been accepted as logic, something like 'the science and art of correct reasoning'. Hegel does not deny the conclusions of the old logic, but stresses that thinking got itself involved in this formal study through a long historical process, which had now reached a new stage. As with his conceptions of history, of social relations, of art, of religion, of the history of philosophy, and so on, Hegel's logic investigates the way that society is divided, and the consequences of this division for knowledge of history and of nature. Spirit, the movement of world history, worked through the actions of

individual humans, but only philosophy could show what these actions meant. The task of the philosopher was to bring to light the underlying structure, the whole picture. Tragically, however, this could be accomplished only too late, after Spirit had done its work.

Hegel's conception of logic was that, as thought thought about itself it revealed the structure of this structure, and Freedom consisted in comprehending it as the work of Spirit. But a logic which worked by being 'applied' to different objects could not investigate itself. So scholars like Tony Smith, who talk about Hegel's dialectical method as something to be 'applied', are obliged to break it into two pieces.

*There are two distinct species of dialectical social theory. In one, systematic progressions of socioeconomic categories are formulated. In the other, theses regarding the ultimate patterns and fundamental mechanisms of historical advance are proposed. [DST p4]*

But the whole point of dialectic for Hegel was that it captured the rhythm to which both history and knowledge danced.

That is why any talk of Hegel's dialectic which considers it outside the context of the whole of his work, and cuts it off from his understanding of the way humans live, must be wrong. It implies that it can be torn out of Hegel's system, treated as an instrument to be 'used', a sort of all-purpose tool, that philosophy can be started with a prefabricated 'method' which is then 'applied' to knowledge. This ignores everything Hegel says on the matter. Lenin saw this very clearly as he read the *Science of Logic*, but I believe he was not able to relate it to the rest of Hegel's work.

This is the central question discussed, for example, in the Introduction to Phenomenology of Spirit:

*For, if cognition is the instrument for getting hold of absolute being, it is obvious that the use of an instrument on a thing certainly does not let it be what it is for itself, but rather sets out to reshape and alter it. We employ a means which immediately brings about the opposite of its own end; or rather, what is really absurd [Widersinnige = 'anti-sensical'] is that we should make use of a means at all. [Phen p46]*

As Elements of the Philosophy of Right explains:

*To consider something rationally means not to bring reason to bear on the object from outside in order to work upon it, for the object is itself rational for itself; it is the spirit in its freedom, the highest apex of self-conscious*

*reason, which here gives itself actuality and engenders itself as an existing world; and the sole business of science is to make conscious this work which is accomplished by the reason of the thing itself.*

Philosophy, then, was not just a set of good arguments. (Some philosophers nowadays refer to 'moves', as if they were playing a kind of chess.) Hegel sought a systematic account of how humans live, so as to demonstrate that, on reflection, this way shows itself to be reasonable.

## **Hegel and political economy**

HEGEL, LIKE all the leading German intellectual figures of his time, was keenly interested in political economy. When he was quite young, he studied Adam Smith, Adam Ferguson and James Steuart. Later he read David Ricardo. Hegel's views about the political economists and about the problems of the market society do not simply involve one among many 'applications' of his 'method'. They lie at the heart of his earliest manuscripts, and are still central to his last book, *Philosophy of Right*. Hegel describes right (*Recht* = Justice, title to, law), as any existence in general which is the existence of free will. The basis of right is the realm of Spirit in general and its precise location and point of departure is the will; the will is free, so that freedom constitutes its substance and destiny (*Bestimmung* = determination, goal) and the system of right is the realm of actualised Freedom, the world of Spirit, produced from within itself as a second nature.

In what Steuart and Ferguson had called 'civil society', Hegel found, at its sharpest, the antagonism between individual wills, and between each individual and the universal. His main problem was always this: how are Ethical Life (*Sittlichkeit*), or Community (*Gemeinde*), to be reconciled with private property, which sets individuals and classes against each other? Just as civil society is the field of conflict in which the private interest of each individual comes up against that of everyone else, so we here encounter the conflict between private interests and particular concerns of the community, and between both of these together and the higher viewpoints and ordinances of the state.

Hegel could never make a 'critique of political economy', for his conception of the modern state takes the results of that science as his starting point.

*Political economy is the science which must go on to explain mass relationships and mass movements in their qualitative and quantitative determinacy and complexity. This is one of the sciences which have originated in the modern age as their element. [Philosophy of Right § 189]*

Adam Smith's 'invisible hand' guided the universal as it emerged from the actions of self-interested private citizens. He attributed this mechanism to the wisdom of a benevolent Providence, who had the foresight to give us just the right mixture of self-interest and sympathy. (Hegel, despite repeated references to the Almighty, knew that He was no longer available to explain anything.) Political economy showed how the working of civil society had to be grasped as the work of Spirit. Individuals do their own thing, but accomplish the Good despite themselves. Subjective selfishness turns into a contribution towards the satisfaction of the needs of everyone else. By a dialectical movement, the particular is mediated by the universal so that each individual, in earning, producing and enjoying on his own account (*für sich*), thereby earns and produces for the enjoyment of others.

Hegel could not conceive of material labour as the free, self-creating activity of humanity. Rather, he sees in the entire historical movement the free activity of Spirit, and this includes within it the unfree activities of wage-labour, the life-activity of human beings enslaved by market forces. His task was to reconcile these opposites, preserving their conflict within this resolution. Marx's task was the direct opposite: to sharpen the opposition to the point of conflict.

### **Marx's threefold critique**

THROUGHOUT HIS lifelong work, Marx combined three critiques: that of political economy; that of Hegel's philosophy (dialectic); and that of Utopianism. This list corresponds closely with Lenin's famous Three Sources and Three Component Parts of Marxism. However, what Lenin saw as the components of Marx's outlook are rather targets for his criticism. 'Critique', for Marx, did not mean refuting a set of arguments, checking them against some external criterion. It implied tracing their roots in the inhumanity of the whole social, economic and cultural formation. As with his early critique of religion, Marx posed the question: what was there about modern society which gave rise to such modes of thinking?

Thus he did not merely reject the conclusions of particular thinkers, but political economy, philosophy and utopianism as such. These were three sides of bourgeois thought at its highest point. Marx showed how each of them took for granted all the underlying assumptions of bourgeois society. He took 'the standpoint of socialised humanity' as his own. [Thesis 10] The achievement of the bourgeois thinkers who had developed these fields was to systematise them, and to take them to their limits. Only in this critical sense were they 'sources' of Marx's work. That is why Marx separated the classical political economy of Petty, Smith and Ricardo from those 'vulgar' economists who displaced them. The earlier thinkers were engaged in an objective attempt to grasp the social relations which were taking



shape. Those who usurped their position were often no more than apologists for the rule of capital, and Marx never hid his contempt for them.

*Capital* subtitled 'Critique of Political Economy', takes the classical school as its object of criticism. It critically examines precisely those categories which had been scientifically arrived at by the classical economists, and which later economists were programmed to accept without question. Marx is not trying to show the weaknesses of a particular school of economists, not demonstrating how they ought to have done their job. His task is to demonstrate that the whole idea of political economy is crazy. Its categories are not 'mistaken': they are insane (*verrückt*), because they systematise those forms of thought which accept as 'natural' a way of life which denies humanity. They present as reasonable the lunacy — that is, the inhumanity — of the social form under which we live. This is how Marx sees the basic notions of the great political economists:

*If I state that coats or boots stand in relation to linen because the latter is the incarnation of human labour, the absurdity (Verrücktheit = madness) of the statement is self-evident. Nevertheless, when the producers of coats and boots bring these commodities into a relation with linen, or with gold or silver ... as the universal equivalent, the relation between their own private labour and the labour of society appears to them in exactly, this absurd (verrückt = crazy) form. The categories of political economy consist precisely of forms of this kind. They are forms of thought which are socially valid (gültig), and therefore objective, for the relations of production belonging to this historically determined mode of social production. [Capital I, p169]*

Marx is decidedly not 'doing economics'. He is not finding a good way to 'order' some 'socioeconomic categories'. When he brings to light inconsistencies in the work of Ricardo, these are not regarded as logical 'errors', but symptoms of the 'inconsistency' of the movement of capital, and Ricardo is praised for illuminating them.

In Chapter 1 of *Capital* Marx explains what he thinks the most objective representatives of political economy are doing, and why:

*Reflection on the forms of human life, hence also scientific analysis of these forms, takes a course directly opposite to their real (wirklichen = actual) development. Reflection begins post festum, and therefore with the results of the process of development ready to hand. The forms already possess the fixed quality of natural forms of social life before man*

*seeks to give an account, not of their historical character, for in his eyes they are immutable, but of their content and meaning. [Capital I, p169]*

And later:

*The labour of the private individual manifests itself as an element of the total labour of society only through the relations which the act of exchange establishes between the products, and through their mediation, between the producers. To the producers, therefore, the social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material (dinglich = 'thinglike') relations between persons and social relations between things. [Capital I, p165]*

In Chapter 1, Section 3, Marx traces the development of the forms of value. People examining the relationship of *Capital* and Hegel's *Logic* have correctly noted, in these pages especially, the deep methodological parallels between these two books. But Marx's purpose is the opposite of Hegel's. Showing how the upside-down relations of the market come to appear 'natural' to those who live inside them, he reveals them to be external forms which can be peeled away from their human content. If Marx had just wanted to 'apply' Hegel's method to political economy, he had only to read what Hegel himself had written, as, indeed, some Hegelians have pointed out.

But Marx was not ignorant of such matters. When he wrote his 1844 Critique of Hegel's Dialectic and Philosophy as a Whole, he explained that 'Hegel's standpoint is that of modern political economy'. To his credit, says Marx, Hegel 'grasps labour as the essence of man'. But he accepts political economy's understanding of labour, (by which, at that time, Marx meant 'wage-labour'): 'Labour is man's coming-to-be for himself within alienation or as alienated man.' Marx knew that free creative activity, the exercise of human productive powers, is what lies locked up and tortured within the inhuman forms of wage-labour. The political economists and Hegel investigated these forms, but they could not question their existence, for they were themselves 'alienated men'.

Chapter 2 of *Capital*, 'The Process of Exchange' ought to be studied in this connection. It is permeated both with Marx's debt to Hegel and his critique of Hegel, interwoven with his attack on the socialism of Proudhon. Its eight pages continually emphasise the way that, in a society dominated by the exchange relationship, commodities appear as subjects, while humans treat each other as things. And this reversal is the meaning of the necessary 'crystallisation' of money out of the exchange of commodities.

*As the transformation of the products of labour into commodities is accomplished, one particular commodity is transformed into money. [Capital I, p181]*

Money is not something human beings invent for their own 'convenience', as economics complacently tells itself. It is something which happens to them, which does its work behind their backs, and then becomes a power over them, controlling and poisoning their lives. Marx continually stresses the 'magic of money', the 'riddle of the money fetish'. This mystery must be understood in terms of

*the purely atomic behaviour of men in their social production-process and the objective shape taken, independently of their control and their conscious individual action by their own relations of production. [Capital I, p187]*

Here is that very fragmentation of modern society which was Hegel's starting point too. Once again, however, their conclusions were directly opposed. Marx's critical relationship with Hegel is shown most clearly in the opening paragraph of Chapter 2 — although the English translation obscures this connection. In the act of exchange, the owners of commodities are obliged to relate to one another 'as persons whose wills are housed in these things, so that the one appropriates for himself the foreign commodity only with the will of the other, and only as mediated through an act of will common to both, by externalising his own commodity. They must therefore recognise each other as owners of private property. This juridical relation, whose form is the contract, whether or not legally developed, is a relation of wills, in which the economic relation reflects itself. The content of this legal or will-relationship is given through the economic relation itself. Here, the persons exist for each other only as representatives of commodities and therefore as commodity-owners. As we shall generally find in the process of development, the economic character-masks of persons are generally only the personifications of economic relations, confronting each other as bearers of these relations'. [Capital I, p178]

This all refers directly to Hegel's analysis of the market society. Hegel's use of the word 'person' is entirely bound up with the possession of property, which he describes as 'the freedom of the abstract will in general':

A person, in distinguishing himself from himself, relates himself to another person, and indeed it is only as owners of property that the two have existence for each other.

And then:

*A person has the right to place his will in any thing. The thing thereby becomes mine and acquires my will as its substantial end.*

He goes on to prove that property has to be private property.

In the section of *Philosophy of Right* on 'Contract', Hegel talks about the importance of a 'common will' shared by two parties who must 'recognise' each other. That is, only through private property can Hegel see the nature of social relationship as such. Connect this with the passage of *Phenomenology of Spirit* describing the first encounter of two self-consciousnesses:

*A self-consciousness, in being an object, is just as much 'I' as object. With this, we have before us the Notion of Spirit. What still lies ahead for consciousness is the experience of what Spirit is — this absolute substance which is the unity of the different independent self-consciousnesses which, in their opposition enjoy perfect freedom and independence: 'I' that is 'We' and 'We' that is 'I'.*

This passage is followed by the famous struggle to the death between Master and Servant (*Herr und Knecht*). What do they fight about? Not the product of the labour of the servant — Hegel never actually tells you what is being made — but their mutual recognition (*Anerkennen*). The rest of the book recounts how this fight, preserved in a variety of shapes, continues until the development of self-consciousness brings about a final reconciliation in Absolute Knowledge, and this is an alias for Hegel's philosophical system itself.

Marx does not adopt these ideas as his own, as can be seen from the satirical irony with which he presents them. He links the irrational, contradictory and inhuman character of the viewpoints of Hegel, of the economists he admired, and of Utopianism, as represented by Proudhon. — Adam Smith and Ricardo, like their admirer Hegel, accept as 'human nature' all the relations of bourgeois society. Humans have a natural 'propensity to truck, barter and exchange', said Adam Smith. Later economists thought this truth was so self-evident that they rarely talked about it: Marx's whole life was devoted to the denial of this supposed truth.

Hegel had developed the implications of market relations to their highest level, in terms of the development of Spirit. His dialectic purported to show that they are logically necessary, and that they necessarily implied the State. That this is the way human beings living in society must relate to each other was assumed by the political economists, and Hegel tries to demonstrate it. But for Marx, exchange or barter, far from being 'natural', are

*the social intercourse and integration of men within private ownership, and therefore the external, alienated, species-act the opposite of the social relationships [Comment on James Mill]*

Human relations would be a community, involving the disappearance of private property and all that it implies. The power of 'market forces' gives an appearance of freedom and equality, but beneath the surface lies the reality of oppression and exploitation. Ricardo takes for granted the necessity of relations like commodity, money, capital, wages and so on. Hegel's dialectic aims to demonstrate them as forms of Spirit.

Marx does not deny the necessity of these forms. But what is necessity? Given the production of commodities, i.e., of goods for exchange, money must develop, and if money exists, capital and wages, profit and exploitation will, under appropriate conditions, arise. The conclusion Marx wants you to draw is not that you have to accept these 'necessities', but that the whole lot must be done away with. Their necessity is 'a transitory [*verschwindene* = disappearing] necessity'. [*Grundrisse*, p219] This, and this alone, is why Marx sometimes does seem to follow what Tony Smith calls 'the systematic ordering' of the categories of political economy, for he developed his critique of them in the order in which these are given in bourgeois society. Ricardo and Hegel used this categorical structure to show that this is how humans have to live. Marx studied it as part of his demonstration that they must smash it up if they are to live humanly.

Marx objectively studies the way the world goes, but he never forgets that it is crazy, and that communist revolution will turn the whole set-up inside-out. Where Ricardo thinks he has shown the logic of bourgeois society, Marx brings out its irrationality, and shows the way that the irrationality conceals itself. Hegel struggles to raise each of the oppositions to a higher level, showing their reconciliation as moments of the unfolding Idea. Marx follows the same path, but demonstrates each step as the transformation and sharpening of the struggle between human productive power and inhuman social forms.

As the power of capital develops, and with it the working class, this struggle takes the form of the antagonism between capital and labour. Philosophy at its most advanced stage (Hegel), and political economy at its highest point (Ricardo), could observe this antagonism in bourgeois society, describing it as a clash of interests of individual workers and individual capitalists. But neither philosophy nor political economy were capable of grasping the human meaning of this struggle. Only Marx could demonstrate how capital, necessarily comprising labour power as a thing, clashed with those who sold it. They felt in their very lives how their humanity was

denied by capital, and rebelled against this denial as a class. The consummation of this rebellion is the conscious remaking of social relations, achieving relations between humans which are transparent. They will be immediately understood by everybody, without recourse to the advice of philosophers or economists, because everybody will be making and remaking them.

Marx is not 'applying' any method, [I am aware of the famous section 3 of the Introduction to the *Grundrisse*, entitled 'The Method of Political Economy'. But I do not believe that, introducing his Outlines of the Critique of Political Economy, Marx used such a heading for his own method. I discuss this question in detail in Karl Marx at the Millennium] at least, not one which had been prepared earlier, outside the context of his specific problem. Rather he is undermining the method of political economy. He does not use the Hegelian dialectic, but subverts it, exposing its 'mystificatory side'. [*Capital I*, p102] That is how he works to penetrate the ideological gift-wrapping (*Hülle*), under whose cover bourgeois social relations deny true humanity, and imprison and pervert human life-activity.

*The veil is not removed from the countenance of the social life-process, i.e. the process of material production, until it becomes production by freely associated men, and stands under their conscious and planned control.*  
[*Capital I*, p 173]

In such an 'association of free men' [*Capital I*, p171] the social relations of the individual producers, both towards their labour and the products of their labour, are here transparent in their simplicity. [*Capital I*, p172]

Once we can overcome the necessity of an 'economic law of motion', then anything like political economy, or Hegel's dialectic, will be forever redundant.

Like Hegel, Marx calls his enterprise 'science'. But its aim, directly opposite to Hegel's, is to 'become the mouthpiece for' [*Poverty of Philosophy*] those social forces which have to break up this social form, that power which he sums up as 'the proletariat'. This kind of science 'reveals (*enthüllt*) the economic law of motion'. [*Capital I*, p92] Through its own operation, this 'law' will make possible its own transcendence. We shall consciously overcome it and begin a truly human life.

### **'Form' and Utopia**

ALTHOUGH I said that Marx's critique was threefold, I have talked about only two of its components. But Marx's attack on Utopianism is always present. He insists that the truly human, unalienated life can never be reduced to something which merely 'ought to be', as Hegel would say. Its conditions and material presuppositions are

constantly being prepared in the social practice of alienated society. But its coming into existence cannot be the result of automatic, unconscious tendencies, or of a clever plan dreamed up by leaders on behalf of the masses.

Tony Smith thinks he can complete the analogy between Marx's dialectic and Hegel's by talking about socialism as a higher 'form of production', roughly corresponding to Hegel's 'Notion' (*Begriff* = concept). Not surprisingly, he meets with some difficulty when he tries to reconcile this with Marx's own characterisation of 'an association of free individuals':

From a socio-political standpoint no concretely functioning institutional framework could ever be categorised in such indeterminate terms. It need hardly be said that a structure of this sort is incapable of institutionalising a full development of either universality or individuality, let alone a full reconciliation of the two.

Tony Smith also holds that Marx found 'a model of the socialist form' in the Paris Commune. But Marx does not consider socialism as a 'form' at all, with 'an institutional structure'. Discussion of the organisation of the Commune is beside the point. The Commune, for all its democratic character, was not socialism, but what Marx called 'the dictatorship of the proletariat', a working-class government he thought would be transitional to socialism. (To be precise, it was not a state either; Marx never envisaged a 'workers' state'.) The achievement of a truly human life would mean learning to live without forms, without institutions, without superstructure. Its coming to be was the process of breaking away from all such forms external to the lives of individual men and women. That is one reason why the Utopians, for all their brilliant anticipations of a new life, remained within the mental horizons of bourgeois society. They presented the world with magnificent forms or patterns. Claiming these were 'reasonable', they sought to force the world into them.

Tony Smith argues that:

*The anticipation of socialism, no less than the critique of capitalism, can be grasped in terms of dialectical logic.*

I have tried to explain why I disagree totally with every bit of this sentence.

1. The only way to 'anticipate socialism' is to break through the inhuman cover under which human life is concealed. This task is simultaneously scientific — in Marx's sense of the word — and practical.

2. What is involved is not a 'critique of capitalism', but a critique of all those categories and methods with which political economy and philosophy work to 'transfigure and glorify what exists'. [*Capital* I, p103]
3. Hegel's dialectical logic was the highest form of enthronement of these categories, since it brought them together into a systematic whole. That was its strength — and its weakness.

What is needed is 'the direct opposite' of this method. That, if it is sought, is to be found in the pages of *Capital* instead of 'applying' a 'scientifically correct method', an external form, this book allows all the contradictions, all the craziness of estranged life, to shine through their alienated cover.

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## Appendix: Some adventures in mistranslation

THE WIDESPREAD misunderstanding of Marx's work has led translators through some strange adventures, as they try to squeeze his ideas on to the procrustean bed of their own ideological assumptions. Here are a few examples.

### I

We begin, appropriately, with the title-page. The several English translations of the first volume of *Capital* have all referred back to the original by Samuel Moore and Edward Aveling, which was edited by Engels in 1886. Its subtitle was: 'A Critical Analysis of Capitalist Production'. However, Marx had entitled his work *Der Produktionsprozess des Kapitals*, 'The Process of Production of Capital'. Thus, the book is not about the way the production of wealth takes place under capitalism'. This mis-titling helped to get English readers off on the wrong foot. *Capital* is about the way that the social relation, capital, produces and reproduces itself, behind our backs, independently of our will. Human productive powers are transformed into the productive power of capital, human life activity is imprisoned within an inhuman shell. Like Hegel's Spirit, capital is a Subject, an impersonal power, which uses the actual producers to carry out its 'will', in opposition to their own purposes. (The boss who sacks you, might do so with genuine reluctance: 'I'm sorry to have to let you go, but business is business ...'.) But, unlike Spirit, it can, and must, be consciously overthrown.

### II

Here is an example of where the conviction that Marx was analysing and criticising 'capitalism' can lead. Tony Smith uses a letter from Marx to Lassalle to prove that 'Marx's theory ... attempts to present a systematic critique of the capitalist mode of



production.’ Similarly, Chris Arthur, in his paper ‘The Necessity of Money’, refers to ‘Marx’s claim (to Lassalle, 22 February 1858) that the presentation of the commodity-capitalist system is at the same time a critique of it.’

The letter in question, however, in which Marx explains what *Capital* was going to be about, actually reads like this:

*The first work in question is the critique of the economic categories, or, if you like, the system of bourgeois economy critically presented. It is a presentation of the system and simultaneously, through the presentation, a criticism of it.*

By ‘the system of bourgeois economy’ Marx always meant the body of work called ‘political economy’ which is the target of his critique. He was not ‘criticising’ ‘the capitalist system’. His aim was the overthrow of the power of capital.

### III

A more important example relates to the question of Marx’s idea of ‘human nature’ — a subject of dispute for decades. The chapter on ‘Co-operation’ in Volume I of *Capital* [p444] refers to Aristotle, remarking, according to the English translations, that ‘man, if not as Aristotle thought a political animal, is at all events a social animal.’ But what Marx, like Aristotle, was alluding to here was what humans are by Nature. He actually wrote:

*Dies rührt daher, dass der Mensch von Natur, wenn nicht, wie Aristoteles meint, ein politisches, jedenfalls ein gesellschaftliches Tier ist.*

The words ‘von Natur’ have just been omitted from the translation.

### IV

My next example also involves Aristotle. In footnote 6 of Chapter 5, ‘The General Formula for Capital’, Marx commented on the contrast between ‘chrematistics’, and — so the translation has it — ‘economics’, to be found in Aristotle’s *Politics*. (By ‘chrematistic’, Aristotle meant the use of exchange to gain wealth’.) The translator of the Pelican edition of *Capital* Ben Fowkes, quotes at length from the Victorian translation of Aristotle by Benjamin Jowett, and comments:

*Much of this differs significantly from Marx’s translation into German, as a result of his practice of quoting so as to bring out the meaning relevant to his argument. Thus ‘gaining wealth through exchange’ turns in Marx’s*

*hands into 'circulation', 'the art of household management' into 'economics', and 'the art of getting wealth' into 'chrematistics'. [Capital I p254]*

But the joke is on Fowkes. Jowett's translation of the Greek 'economia' into the English 'economics', which he accepts, is wrong. 'Economia' actually means 'the art of household management', for which Marx, who knew exactly what he was doing, gives the German 'Oekonomik' (which is not the German for 'economics'). Marx returns to the same issue a dozen pages later, again quoting Aristotle's opposition of 'chrematistics' to 'economia', the art of managing the finances of a household in a balanced and intelligent manner the latter (comments Aristotle) being necessary and praiseworthy, the former based on circulation and with 'justice disapproved (for it is not based on Nature, but on mutual cheating)'. [Capital I p267]

Marx, of course, completely agreed with him, and the point is not a pedantic one. The prejudice that Marx was 'doing economics' has led to a complete misunderstanding of his ideas in this context, not to mention those of Aristotle.

## V

Tony Smith makes the following reference to first chapter of *Capital*:

*In successful exchange, 'the labour of private individuals takes the form of its opposite, labour directly social in its form'. Obviously 'socially useful' in this context is judged from the standpoint of the exchanging parties, and not from that of the needs of society as a whole.*

The quotation is certainly taken accurately from the Moscow edition of *Capital*. The Pelican *Capital* gives something similar: 'private labour takes the form of its opposite, namely labour in its directly social form.' [Capital I p151] Another, older, translation reads: 'individual labour assumes the form of its opposite, becomes labour in a directly social form.' All these clearly accord well with Tony Smith's view of *Capital* Private labour is the 'essence', whose 'form of appearance' is social labour.

But there is a problem: Marx wrote the direct opposite! What he wanted to explain, in this 'third peculiarity of the equivalent form of value', was that private labour becomes the form whose essence is social labour. What he actually wrote was: 'Privatarbeit zur Form Ihres Gegenteils wird, zu Arbeit in unmittelbar gesellschaftlicher Form.' ('Private labour becomes the form of its opposite, immediately social labour.') He was saying that use-value, concrete labour and social labour are unable to show themselves directly. These aspects of human life

are obliged to appear in the perverted, inhuman shapes of value, abstract labour and private labour, respectively. Tony Smith, basing himself on mistranslations underpinned with ideology, contrives to give precisely the opposite Impression, giving credibility to those who uphold the honour of ‘economics’.

## VI

A final example — this time not from *Capital* — of the way that academic prejudice can lead to the misreading of what is on the printed page. Tony Smith writes:

*Marx elsewhere asserted that his goal was to trace ‘the intrinsic connection existing between economic categories or the obscure structure of the bourgeois economic system’ (Marx 1968b, 165). Since the entire focus of systematic dialectics in Hegel is ‘the tracing of intrinsic connections between categories’, it would appear that Marx took over the project of constructing a systematic dialectical theory from Hegel.*

The quotation referred to as ‘Marx 1968b, 165’ actually reads:

*[Adam] Smith himself moves with great naïveté in perpetual contradiction. On the one hand, he traces the intrinsic connection existing between economic categories or the obscure structure of the bourgeois economic system ... [Theories of Surplus Value, V2 p165]*

The passage assuredly does not show, as Tony Smith seems to imply, that Marx’s achievement was to ‘take over’ Hegel’s project. Here he was actually praising Adam Smith for tracing ‘the intrinsic connection existing between economic categories’, and taking him to task for not doing this job consistently. (By “bourgeois economic system” I repeat, Marx meant “political economy”.) Marx saw his own task, as I have argued, not to use those categories in a better way, but to make a rigorous scientific critique of those categories, from ‘the standpoint of socialised humanity’.

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From: <http://www.marxists.org/reference/archive/smith-cyril/works/articles/cyril.htm>

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